



**THE CITY OF NEW YORK
LAW DEPARTMENT**

MICHAEL A. CARDODOZ
Corporation Counsel

100 CHURCH STREET
NEW YORK, N.Y. 10007-2601

JOSHUA M. WOLF
Tax and Bankruptcy Litigation Division
phone: (212) 788-1172
fax: (212) 788-0937
email: jowolf@law.nyc.gov

October 16, 2009

Hughes Hubbard & Reed LLP
One Battery Park Plaza
New York, New York 10004
Attn: LBI Hearing Request

Re: In re Lehman Brothers Inc., Case No. 08-01420 (JMP) SIPA
Claim No. 800001875

Ladies and Gentlemen:

This office represents the various New York City (the “City”) pension funds that have filed claims in the above-referenced case. On or about January 28, 2009, the New York City Comptroller’s Office, on behalf of the New York City Fire Department Pension Fund (“Fire”), filed Claim No. 800001875 (the “Claim”) in the amount of \$30,983.55. This claim represents a combination of funds held in two accounts managed by two independent fund managers—BlackRock Financial Management (“BlackRock”) and Pacific Investment Management Company LLC (“PIMCO”). \$15,503.00 of this Claim is attributable to funds managed by PIMCO, while the balance is attributable to funds managed by BlackRock. The City has received a Notice of Trustee’s Determination of Claim, dated September 16, 2009, wherein the Trustee has denied Fire’s Claim in its entirety.

With respect to that portion of the Claim representing the account managed by BlackRock, we have been advised that BlackRock itself, by and through its counsel, has responded to the Trustee’s denial of all claims held by its clients. Accordingly, we will rely on the fund manager’s response in pursuing any opposition to the Trustee’s determination. Thus as to Fire’s BlackRock funds only, we will not be filing an additional response to the Trustee’s determination.

With respect, however, to that portion of the Claim attributable to the PIMCO account (\$15,503.00) reflected in the documentation annexed hereto, we hereby object to the Trustee’s determination that the cash claimed by Fire was not held in a customer account of

Lehman Brothers Inc. As is made clear by the accompanying documentation, all funds owed to Fire were very clearly held in a customer account administered by Lehman Brothers Inc.

In any event, Fire hereby reserves all rights in connection with the PIMCO portion of the Claim discussed herein. Moreover, nothing herein shall serve to waive, limit, or preclude Fire from amending or supplementing this objection as needed in support thereof, or pursuing other or additional legal remedies in the appropriate forum.

Any further correspondence in connection with this objection should be directed to:

New York City Law Department
Tax and Bankruptcy Litigation Division
100 Church Street, Room 5-199
New York, New York 10007
(212) 788-1172
jowolf@law.nyc.gov

-and-

New York City Comptroller's Office
Attn: Martin Gantz
1 Centre Street, Room 726
New York, New York 10007

Please do not hesitate to contact the undersigned should you wish to discuss this matter further.

Very truly yours,

/s/ Joshua M. Wolf
Joshua M. Wolf (JW-7247)
Assistant Corporation Counsel

Account Number: 108

Account Name: New York City Fire (NY Account #337648)

Account Base Currency: USD

Master Forward Transactions (Agreement dated October 15, 1999)

Type ¹	Transaction Description [Rec(Pay) Methodology] ²	CUSIP	Sec Type	CUSIP Description	Trans Code	Trade Date	Settle Date	Trans Curr	Quantity	Price	Proceeds in Trans Curr	Rec(Pay) in Trans Curr	Rec(Pay) in USD ³	Rec(Pay) in Base Curr
OP	Original Trade (Purchase)	01F0526A5	MPT	FNMA TBA 5.50% OCT	S	9/5/2008	10/14/2008	USD	1,500,000	99.54688	1,493,203			
OP	Original Trade (Purchase Remainer)	01F0526A5	MPT	FNMA TBA 5.50% OCT	B			USD	-2,500,000	100.18750	2,504,538			
OP	Original Trade (Purchase)	01F0526A5	MPT	FNMA TBA 5.50% OCT	B	9/10/2008	10/14/2008	USD	4,000,000	101.90781	-4,040,312			
OP	Original Trade	01F0526A5	MPT	FNMA TBA 5.50% OCT	S			USD	2,000,000	99.14063	-42,422	-42,422		
OP	Termination (Broker Quote)	01F0506A9	MPT	FNMA TBA 5.00% OCT	S	9/10/2008	10/14/2008	USD	2,000,000	98.09375	-1,961,875			
OP	Net	01F0506A9	MPT	FNMA TBA 5.00% OCT	S			USD	2,000,000	99.14063	20,938	20,938	20,938	
OP	Original Trade	01F0506A9	MPT	FNMA TBA 5.00% OCT	S	9/10/2008	10/14/2008	USD	2,000,000	98.09375	1,962,813			
OP	Termination (Broker Quote)	01F0506A9	MPT	FNMA TBA 5.00% OCT	S	9/10/2008	10/14/2008	USD	2,000,000	99.14063	1,962,813			
OP	Net	01F0506A9	MPT	FNMA TBA 5.00% OCT	S			USD	2,000,000	98.09375	1,962,813			
OP	Original Trade	01F0506A9	MPT	FNMA TBA 5.00% OCT	B	9/8/2008	10/14/2008	USD	5,000,000	100.56250	-5,028,125			
OP	Termination (Broker Quote)	01F0506A9	MPT	FNMA TBA 5.00% OCT	S	9/10/2008	10/14/2008	USD	5,000,000	100.18750	5,009,375			
OP	Net	01F0506A9	MPT	FNMA TBA 5.00% OCT	S			USD	5,000,000	100.18750	5,009,375			
OP	Original Trade	01F0506A9	MPT	FNMA TBA 5.00% OCT	S	9/10/2008	10/14/2008	USD	2,000,000	102.34375	-18,750	-18,750		
OP	Termination (Broker Quote)	01F0506A9	MPT	FNMA TBA 5.00% OCT	S	9/10/2008	10/14/2008	USD	2,000,000	101.79688	2,046,875	2,046,875		
OP	Net	01F0506A9	MPT	FNMA TBA 5.00% OCT	S			USD	2,000,000	101.79688	-2,035,938			
OP	Original Trade	01F0526A4	MPT	FNMA TBA 6.50% OCT	S	9/8/2008	10/14/2008	USD	1,000,000	103.65625	1,036,163			
OP	Termination (Broker Quote)	01F0526A4	MPT	FNMA TBA 6.50% OCT	S	9/8/2008	10/14/2008	USD	1,000,000	102.81250	-1,028,125			
OP	Net	01F0526A4	MPT	FNMA TBA 6.50% OCT	S			USD	1,000,000	102.81250	8,438	8,438	8,438	
OP	Original Trade	31403DWF2	MPT	FNMA PASS THRU MTG #745946	S	9/8/2008	10/14/2008	USD	5,231,133	100.62500	5,263,828			
OP	Termination (Broker Quote)	31403DWF2	MPT	FNMA PASS THRU MTG #745946	S	9/7/2008	10/14/2008	USD	5,231,133	100.23438	-5,243,394			
OP	Net	31403DWF2	MPT	FNMA PASS THRU MTG #745946	S			USD	5,231,133	100.23438	-5,243,394			
FT	Original Trade	31415VZW8	MPT	FNMA PASS THRU DWARE #990957	S	9/28/2008	9/16/2008	USD	689,019	99.25000	683,851			
FT	Termination (Broker Quote)	31415VZW8	MPT	FNMA PASS THRU DWARE #990957	S	9/28/2008	9/16/2008	USD	689,019	99.97702	-683,861			
FT	Net	31415VZW8	MPT	FNMA PASS THRU DWARE #990957	S			USD	689,019	99.97702	-683,861	-5,009	-5,009	
												Total Before Collateral Rec(Pay)		
												Total Master Forward Rec(Pay)		
												15,503	15,503	
												15,503	15,503	

Notes:

- 1 FT - Failed trade scheduled to settle prior to bankruptcy but failed.
- 2 OP - Open position at bankruptcy, CG - Collateral, UT - Unsettled Trade, RC - Repo collateral, RP - Open repurchase agreement
- 3 A negative number represents an amount payable to the respective Lehman entity, while a positive balance represents a receivable from the respective Lehman entity.

* Pending liquidation of Collateral

Account Number:	108	Account Name:	New York City Fire (NY Account #337648)	Account Base Currency:	USD
Final Claim Amount					15.503

Supporting Documentation

Documentation in support of the claims relating to the transactions reported in this Schedule has been provided to the Trustee on our behalf by our investment manager, Pacific Investment Management Company. The Claimant authorizes the Trustee to rely on such documentation in the evaluation of our claim against Lehman Brothers Inc., and to contact PIMCO (by e-mail to iblclienidocs@pimco.com) with respect to requests for further documentation or any inquiries relating to such documentation. The supporting documentation provided by PIMCO refers to the Claimant by name or by the account number stated on this Schedule.

Notes:

- ¹ FT - failed trade scheduled to settle prior to bankruptcy but failed; DP - Open position at bankruptcy; CO - Collateral; UT - Unsettled Trade; RC - Repo Collateral; RP - Open repurchase agreement
- ² RecPay methodology refers to one of the following methods used to calculate recpay: Broker Quote, Replacement Trade, and Paroff (characterized as a combination of related buy and sell transactions, unsettled as of the Lehman bankruptcy).
- ³ A negative number represents an amount payable to the respective Lehman entity, while a positive balance represents a receivable from the respective Lehman entity.
- ⁴ Pending Liquidation of Collateral